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WC 09-20

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDINGFEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE
FORM 159Approved by OMB
3040-0540

STAMP AND RETURN

(1) LOCKBOX # 979091			
SECTION 4 - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Iowa Telecommunications Services, Inc.		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$965.00	
(4) STREET ADDRESS LINE NO. 1 403 West 4th Street N.			
(5) STREET ADDRESS LINE NO. 2 P.O. Box 1046			
(6) CITY Newton		(7) STATE IA	(8) ZIP CODE 50208
(9) DAYTIME TELEPHONE NUMBER (include area code) 703.838.0115		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0003911385			
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Sherburne Tele Systems, Inc.			
(14) STREET ADDRESS LINE NO. 1 440 Eagle Lake Road North			
(15) STREET ADDRESS LINE NO. 2 P.O. Box 310			
(16) CITY Big Lake		(17) STATE MN	(18) ZIP CODE 55309
(19) DAYTIME TELEPHONE NUMBER (include area code) 703.838.0115		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 002624419			
COMPLETE SECTION C FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$965.00	(27A) TOTAL FEE \$965.00		
(28A) FCC CODE 1	(29A) FCC CODE 2		
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE		
(28B) FCC CODE 1	(29B) FCC CODE 2		
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, <u>Gregory J. Vogt</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE <u>Gregory J. Vogt</u>		DATE <u>2/9/2009</u>	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD <input type="checkbox"/> VISA <input type="checkbox"/> AMEX <input type="checkbox"/> DISCOVER <input type="checkbox"/>			
ACCOUNT NUMBER _____		EXPIRATION DATE _____	
I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described.			
SIGNATURE _____		DATE _____	

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159

FEBRUARY 2003

DOCKET FILE COPY ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Sherburne Tele Systems, Inc.,)	
Assignor,)	
)	
and)	WC Docket No. 09-_____
)	
Iowa Telecommunications Services, Inc.,)	
Assignee,)	
)	
Application for Assignment of Assets Pursuant)	
to Section 214 of the Communications Act of)	
1934, as Amended.)	

**APPLICATION FOR ASSIGNMENT OF ASSETS
OF SHERBURNE TELE SYSTEMS, INC. TO VARIOUS SUBSIDIARIES
OF IOWA TELECOMMUNICATIONS SERVICES, INC.**

Sherburne Tele Systems, Inc. ("Sherburne" or "Assignor") and Iowa Telecommunications Services, Inc. ("Iowa Telecom" or "Assignee") (collectively the "Applicants"), and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the "Act"), and Section 63.04 of the rules of the Federal Communications Commission ("FCC" or the "Commission"), 47 C.F.R. § 63.04, hereby request authority to assign substantially all of the assets held by Sherburne's subsidiaries, Sherburne County Rural Telephone Co., Sherburne Long Distance, Inc., and Northstar Access, LLC (collectively the "Sherburne Entities") from the Sherburne Entities to Iowa Telecom. As described in this application, Iowa Telecom has agreed to purchase substantially all of the outstanding assets of

Sherburne and its subsidiaries, and Iowa Telecom will provide service to the former customers of the Sherburne Entities upon completion of the transaction.¹

I. INFORMATION REQUIRED BY SECTION 63.04

Pursuant to Section 63.04(a) of the Commission's rules, the Applicants provide the following information in support of this transaction related to the transfers of domestic 214 authority:

(1) Applicants' Names, Addresses and Telephone Numbers

Assignor: Sherburne Tele Systems, Inc.
440 Eagle Lake Road North
P.O. Box 310
Big Lake, MN 55309

Telephone: (763) 262-3339
Facsimile: (763) 262-7711

Assignee: Iowa Telecommunications Services, Inc.
403 W. 4th St. N.
P.O. Box 1046
Newton, IA 50208

Telephone: (641) 787-2337
Facsimile: (641) 787-2347

(2) State of Organization

- (a) Assignor: Sherburne is a corporation organized under the laws of the State of Minnesota.
- (b) Assignee: Iowa Telecom is a corporation organized under the laws of the State of Iowa.

(3) Contact Information

All correspondence, notices and inquiries regarding this transaction should be addressed to:

¹ See Asset Purchase Agreement By and Among Iowa Telecommunications Service, Inc., and Sherburne Tele Systems, Inc., *et al.* (Nov. 21, 2008) ("Asset Purchase Agreement").

Transferor: G. George Wallin
Sherburne Tele Systems, Inc.
440 Eagle Lake Road North
P.O. Box 310
Big Lake, MN 55309

Telephone: (763) 262-2197
Facsimile: (763) 262-7711

With a copy to:

Gregory W. Whiteaker
Bennet & Bennet, PLLC
4350 East West Highway
Suite 201
Bethesda, MD 20814

Telephone: (202) 371-1500
Facsimile: (202) 371-1558

Counsel for Sherburne Tele Systems, Inc.

Transferee: Edward B. Krachmer
Director-Regulatory Affairs
Iowa Telecommunications Services, Inc.
403 W. 4th St. N.
P.O. Box 1046
Newton, IA 50208

Telephone: (641) 787-2337
Facsimile: (641) 787-2347

With a copy to:

Gregory J. Vogt
Law Offices of Gregory J. Vogt, PLLC
2121 Eisenhower Ave.
Suite 200
Alexandria, VA 22314

Telephone: (703) 838-0115
Facsimile: (703) 684-3620

Counsel for Iowa Telecom

(4) Ten percent (10%) Equity Shareholders

Assignor: Sherburne County Rural Telephone Co., Sherburne Long Distance, Inc., and Northstar Access, LLC are wholly-owned subsidiaries of Sherburne.

Sherburne Fiber-Com, Inc., owns a 33 percent interest in SHAL Networks, Inc. and SHAL, LLC.

Sherburne has two equity holders with at least a ten percent interest: Robert K. Eddy with a 43.38% direct and indirect equity interest and Jane E. Shiota with a 35.47% interest. Both Mr. Eddy and Ms. Shiota are U.S. citizens.

Assignee: To the best of Iowa Telecom's knowledge, no party directly or indirectly holds a ten percent or more equity interest in Iowa Telecom.²

(5) Certification Pursuant to Rules 1.2001-1.2003

Applicants have attached certifications, pursuant to 47 C.F.R. §§ 1.2001-1.2003, that to the best of their knowledge, information, and belief, no party to the application is subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

(6) Description of the Parties, the Relevant Geography, and the Transaction

(a) Description of Sherburne

Sherburne is a privately-held company headquartered in Big Lake, Minnesota. Sherburne owns, among other things, Sherburne County Rural Telephone Co., Sherburne Tel-Com, Inc., Sherburne Cable-Com, Inc., Sherburne Long Distance, Inc., Sherburne Fiber-Com, Inc. and Northstar Access, LLC.

² Iowa Telecom is a widely-held publicly-traded company and therefore cannot be certain on any particular date of the makeup of its indirect equity holders.

Sherburne County Rural Telephone Co. ("SCRTC") was founded in 1905 and provides local telephone service and access to long distance services as an ILEC. SCRTC, itself, does not provide long distance service but, instead, serves as billing agent for long distance providers, including, among others, Sherburne Long Distance, Inc., and serves approximately 16,000 access lines in Becker, Big Lake, Glendorado, and Zimmerman Minnesota. SCRTC holds a certificate of public convenience and necessity from the Minnesota Public Utilities Commission.

Sherburne Long Distance, Inc. ("SLD") provides long distance telephone services to residential and business customers in Becker, Big Lake, Glendorado, and Zimmerman Minnesota. SLD resells the long distance services of facilities-based long distance providers, serving approximately 23,000 customers.

Northstar Access LLC ("Northstar") provides local telephone service and access to long distance services and operates as a competitive local exchange carrier ("CLEC") in Minnesota, providing approximately 10,000 access lines. Northstar holds a certificate of public convenience and necessity from the Minnesota Public Utilities Commission.³

Sherburne Fiber-Com, Inc. holds minority interests in two companies – SHAL Networks, LLC and SHAL LLC – which build and maintain fiber optic facilities that these two companies provide to other carriers, including SCRTC and other telephone companies.

(b) Description of Iowa Telecom

Iowa Telecommunications Services, Inc., headquartered in Newton, Iowa, began business on June 30, 2000, when it acquired the Iowa operations of GTE Midwest Incorporated ("GTE").

³ Sherburne also holds and will transfer the assets of other subsidiaries, Sherburne Tel-Com, Inc., Sherburne Cable-Com, Inc., which do not provide common carrier services that are subject to Section 214 of the Communications Act, e.g., assets of customer premises equipment and cable television operations.

Today, Iowa Telecom is a publicly-traded company (NYSE:IWA) with \$858 million in assets⁴ and approximately \$243 million in annual revenue.⁵

Iowa Telecom operates 288 telephone exchanges in Iowa as the ILEC. Through its subsidiaries Iowa Telecom Communications, Inc. and IT Communications, LLC, Iowa Telecom serves as a CLEC in all exchanges in Iowa in which Qwest is the ILEC. Iowa Telecom also serves six communities in Minnesota as the ILEC through its Lakedale Telephone Company subsidiary. Iowa Telecom also serves several communities in Minnesota as the CLEC through its Lakedale Link, Inc. subsidiary and majority-owned EN-TEL Communications, LLC subsidiary. Both Iowa Telecom and Lakedale are ILECs, which have in combination fewer than two percent of the nation's subscriber lines installed in the aggregate nationwide, and no overlapping or adjacent service areas with each other.

As of September 30, 2008, Iowa Telecom served approximately 246,000 access lines, including approximately 214,000 access lines as the ILEC. Also as of that date, Iowa Telecom was the presubscribed long distance provider on approximately 148,000 of its lines, served approximately 75,000 digital subscriber line ("DSL") customers,⁶ and served approximately 19,000 dial-up Internet customers.⁷ Iowa Telecom resells EchoStar's DISH Network satellite video service to its local exchange customers. Iowa Telecom's mobile wireless operations consist entirely of the resale operations of its Minnesota subsidiary Lakedale Communications,

⁴ As of September 30, 2008.

⁵ Annualized from figures during the period January 1, 2008 through September 30, 2008.

⁶ Iowa Telecom offers DSL service in every exchange in which it operates, although such service is not available to every customer in every exchange.

⁷ All figures include both ILEC and CLEC lines/subscribers.

LLC, and of its Iowa subsidiary, Montezuma Mutual Telephone Company, in such subsidiary's two-exchange ILEC territory.⁸

Iowa Telecom's operating subsidiaries, directors, and executive officers, as well as substantial other details regarding Iowa Telecom, are discussed in Iowa Telecom's quarterly and annual Securities and Exchange Commission filings which are available online.⁹ For the Commission's reference, a current organizational chart of Iowa Telecom is attached hereto as Exhibit 1.

(c) Description of the Transaction

Through the Asset Purchase Agreement between Iowa Telecommunications Services, Inc., and Sherburne and its subsidiaries, Iowa Telecom will acquire substantially all the assets of Sherburne and its subsidiaries, including, but not limited to, its telecommunications facilities, customer databases, and associated contracts. The assets of the company will be placed in various existing subsidiaries of Bishop Communications Corp., a wholly owned, indirect subsidiary of Iowa Telecom with current operations in the State of Minnesota. Bishop Communications Corp. will support the customers who are currently being served through these Sherburne assets.

Iowa Telecom intends to place SCRTC assets in Lakedale Telephone Company, a wholly owned, indirect subsidiary of Iowa Telecom operating in the State of Minnesota. Iowa Telecom plans to place SLD assets and NorthStar's interexchange carrier assets in Lakedale Link, Inc., a wholly owned, indirect subsidiary of Iowa Telecommunications, and a CLEC and interexchange carrier in the State of Minnesota. Iowa Telecom intends to place NorthStar CLEC assets in

⁸ Montezuma Mutual Telephone Company leases its 10 MHz of spectrum covering its two-exchange ILEC territory to Iowa Wireless Services, LLC, which is the underlying service provider.

⁹ See <<http://ir.iowatelecom.com/phoenix.zhtml?c=182669&p=irol-sec>>.

Lakedale Link, LLC, a wholly owned, indirect subsidiary of Iowa Telecommunications, which is in the process of obtaining a certificate of public necessity from the State of Minnesota to operate as a CLEC. Sherburne's interests in SHAL, LLC and SHAL Networks, LLC, companies providing and maintaining fiber optic facilities, will be held by a new subsidiary, yet unnamed, and will be a an indirect wholly-owned subsidiary of Iowa Telecom.¹⁰ The organizational chart for the post-acquisition company, including placement of assets, is listed in Exhibit 2.

The sale of assets should be transparent to the customers of those companies. Sherburne and Iowa Telecom will comply with the customer notification and related requirements of Section 64.1120(e) of the Commission's rules, 47 C.F.R. § 64.1120(e).

(7) Streamlined Treatment

The Applicants respectfully request streamlined treatment of the Application. Pursuant to Section 63.03 of the Commission's rules, an application for approval of a domestic transfer of control of Section 214 authority is presumptively subject to streamlined treatment when "[t]he applicants are incumbent independent local exchange carriers (as defined in § 64.1902 of this chapter) that have, in combination, fewer than two (2) percent of the nation's subscriber lines installed in the aggregate nationwide, and no overlapping or adjacent service areas."

Both Applicants are ILECs under 47 C.F.R. § 64.1902. Together, the applicants, in combination serve fewer than 250,000 incumbent subscriber lines. Thus, in total, the Applicants serve fewer than two percent of the nation's subscriber lines installed in the aggregate nationwide. Further, as discussed above, Applicants are ILECs, which have no overlapping or adjacent service areas. Further, the Applicants in aggregate have less than a ten percent share of the interstate interexchange market.

¹⁰ Such unnamed subsidiary will be a directly and wholly owned by IWA Holdings, Inc., a direct subsidiary of Iowa Telecommunications Services, Inc.

(8) Other Related Applications Before the Commission

The Applicants intend to file an application seeking FCC approval of the assignment of wireless licenses held by Sherburne within one week of the filing of the instant application. The Applicants also intend to file applications seeking FCC approval of the transfer of control of wireless licenses held by Wireless Communications Venture, LLC and NewCore Wireless, LLC within one week of the filing of the instant application. The Applicants intend to file applications for FCC approval of the assignment of assets pursuant Section 214 of the Communications Act with respect to the international 214 authorizations held by SCRTC and SLD. The call signs and services of these licenses are listed in Exhibit 3. Requests for approval by the Iowa Utilities Board and Minnesota Public Utilities Commission were filed on January 27, 2009 and February 4, respectively.

(10) Statement of Imminent Business Failure

Not applicable.

(11) Separately-Filed Waiver Requests

None.

(12) Public Interest Statement

The proposed transaction will result in significant benefits for the Sherburne Entities' customers. Upon consummation of the transactions, the Sherburne Entities' former customers will have access to the benefits of a larger telecommunications service provider, including a robust network and support team, modernized facilities, and improved service quality. For example, repair and technical support for the former customers of the Sherburne Entities will improve as a result of the transaction. Iowa Telecom will be able to leverage its resources and offer repair and technical support teams who are available to receive calls from customers and

dispatch technicians as necessary 24-hours a day, and seven days a week. In addition, as part of the transaction, Iowa Telecom will be acquiring the work force of the Sherburne Entities, and there are no plans to reduce this workforce for a minimum of twelve months after this transaction closes. Iowa Telecom will continue to serve all of the Sherburne Entities' former customers.

These benefits will result from the combined company's increased economies of scale. Given that the Sherburne Entities currently serve a relatively limited number of rural areas, they lack the economies of scale afforded larger telecommunications providers in urban areas. The proposed transaction will enable Iowa Telecom to benefit from larger size and scale, allowing the combined company to experience significantly greater economies of scale. Indeed, the transaction will allow Iowa Telecom to reduce operating costs of the newly acquired telecommunications assets. Back office systems and corporate functions, such as accounting, finance and legal, will become relatively less costly because of the economies of scale that can be achieved through the purchase of Sherburne assets by Iowa Telecom. At the same time, however, Iowa Telecom's corporate resources will serve to enhance the companies' presence, through improved marketing and public relations efforts. Similarly, the Sherburne Entities' former customers will benefit from Iowa Telecom's purchasing power, which will allow Iowa Telecom to acquire materials and improve infrastructure at lower costs.

This transaction is also similar to other transactions approved by the Commission involving carriers in much closer proximity than Iowa Telecom and the Sherburne Entities.¹¹

¹¹ See, e.g., *Joint Applications of Telephone Data Systems, Inc. and Chorus Communications, Ltd. for Authority to Transfer Control of Commission Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 22, 63, and 90 of the Commission's Rules*, Memorandum Opinion and Order, 16 FCC Rcd 15293 (Comm. Car. Bur. 2001); *Joint Application of Global Crossing Ltd., and Citizens Communications Company for Authority to Transfer control of Corporations Holding Commission Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and*

Consistent with precedent, the proposed transaction will serve the public interest, convenience, and necessity by strengthening Iowa Telecom and by directly benefiting all affected consumers.

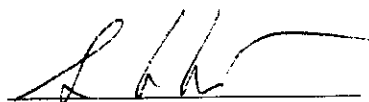
Overall, the cost savings, increased in-house capabilities, and enhanced technical support will serve to improve the quality and efficiency of the services that Iowa Telecom will provide to Minnesota consumers. Accordingly, the Commission should approve the proposed transaction expeditiously.

III. CONCLUSION

For the foregoing reasons, Iowa Telecom and Sherburne respectfully request that the Commission place this application on streamlined processing for its domestic Section 214 assignment of assets and promptly grant this Application.

Respectfully Submitted,

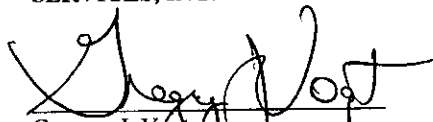
SHERBURNE TELE SYSTEMS, INC.



Gregory W. Whiteaker
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Bethesda, MD 20814
(202) 371-1500

Counsel for Sherburne Tele Systems, Inc.

**IOWA TELECOMMUNICATIONS
SERVICES, INC.**



Gregory J. Vogt
Law Offices of Gregory J. Vogt, PLLC
2121 Eisenhower Ave.
Suite 200
Alexandria, VA 22314
(703) 838-0115

*Counsel for Iowa Telecommunications
Services, Inc.*

February 9, 2009

Exhibit 1: Current Iowa Telecom Organizational Chart

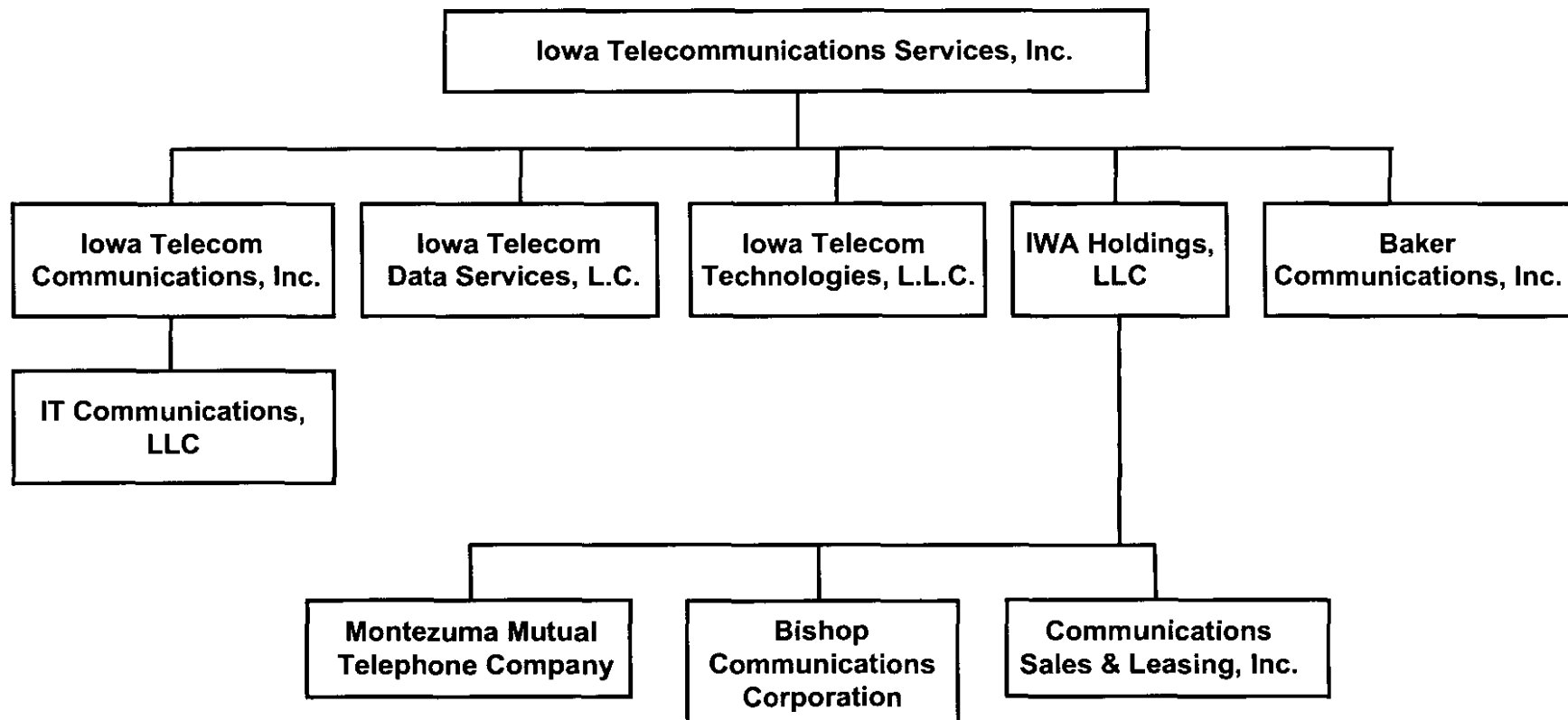
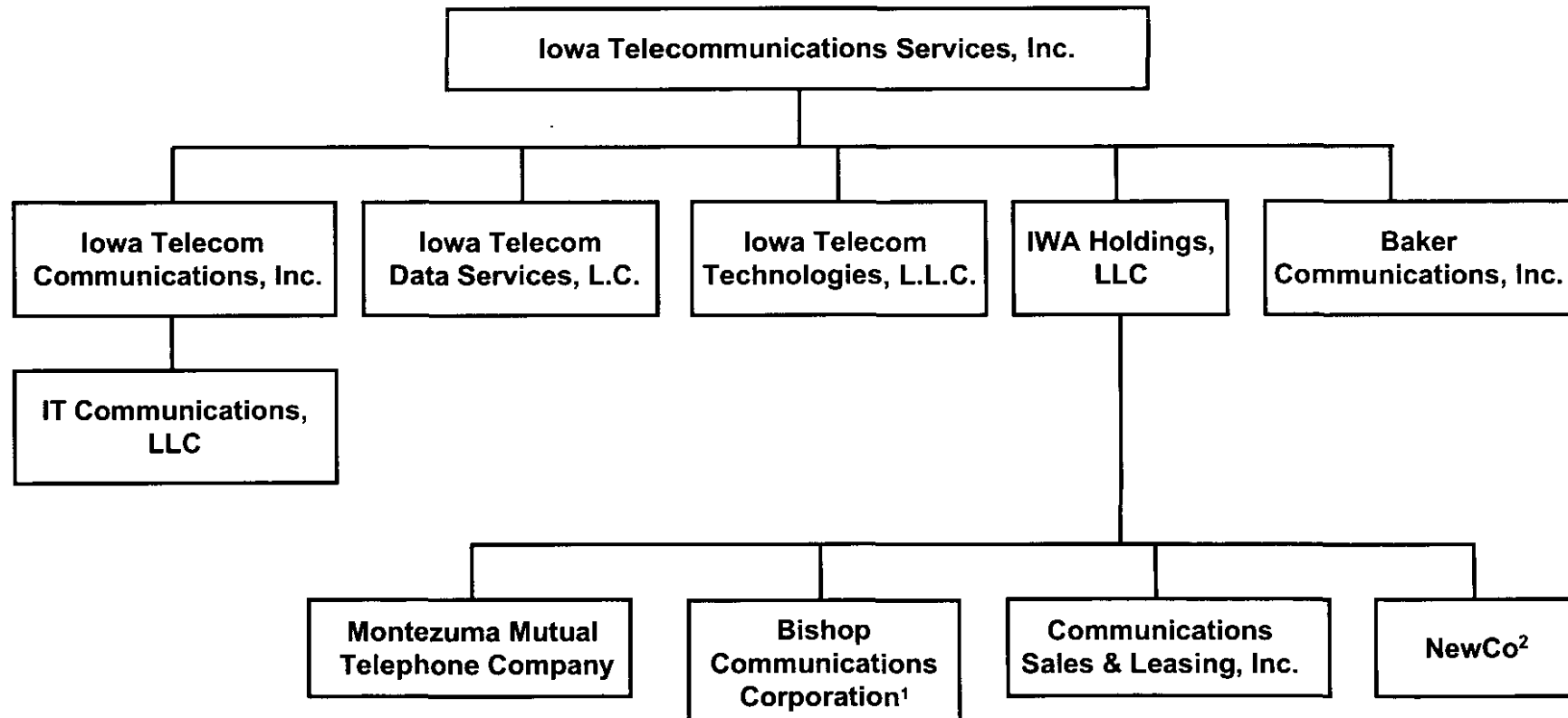
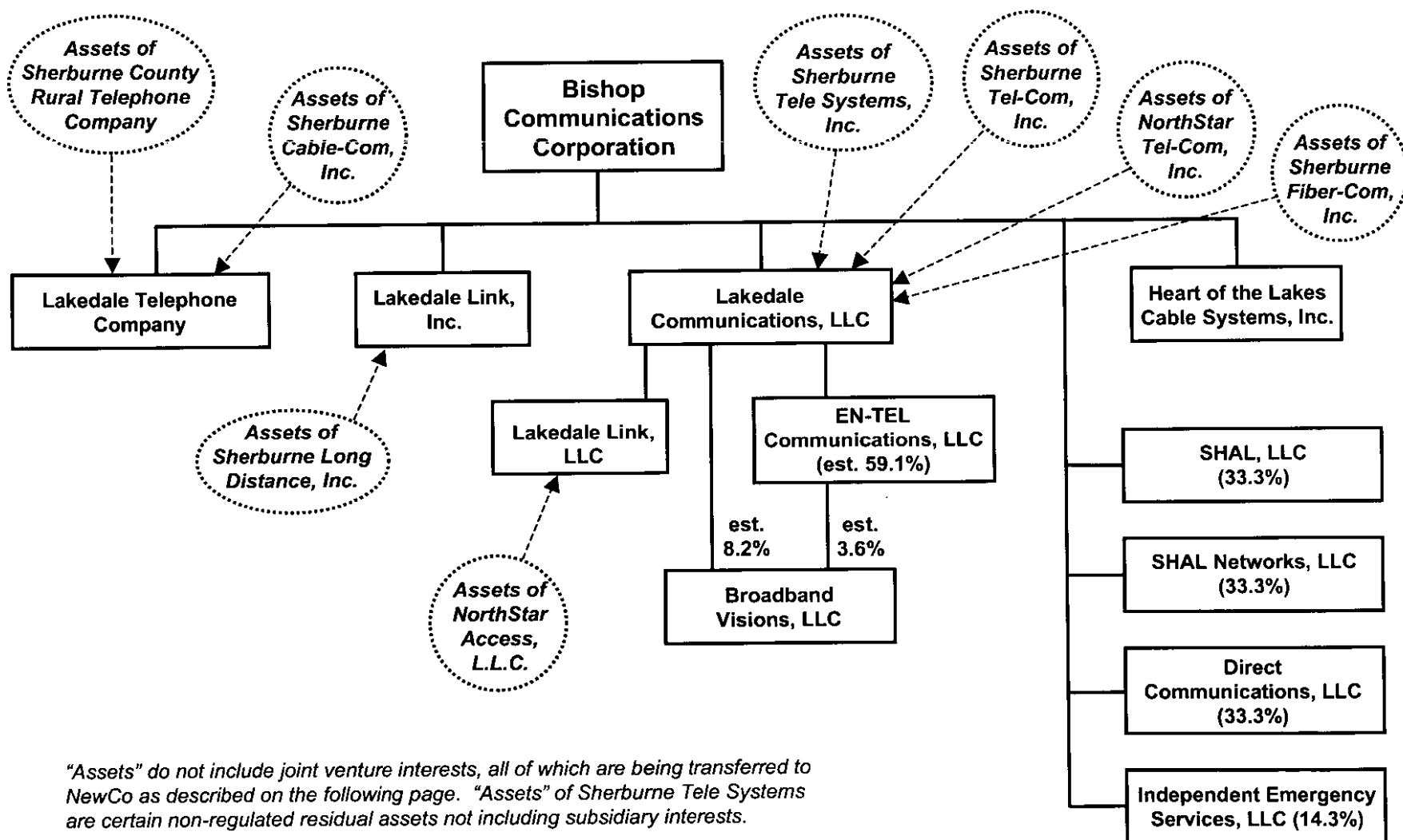


Exhibit 2: Combined Iowa Telecom Organizational Chart After Purchase

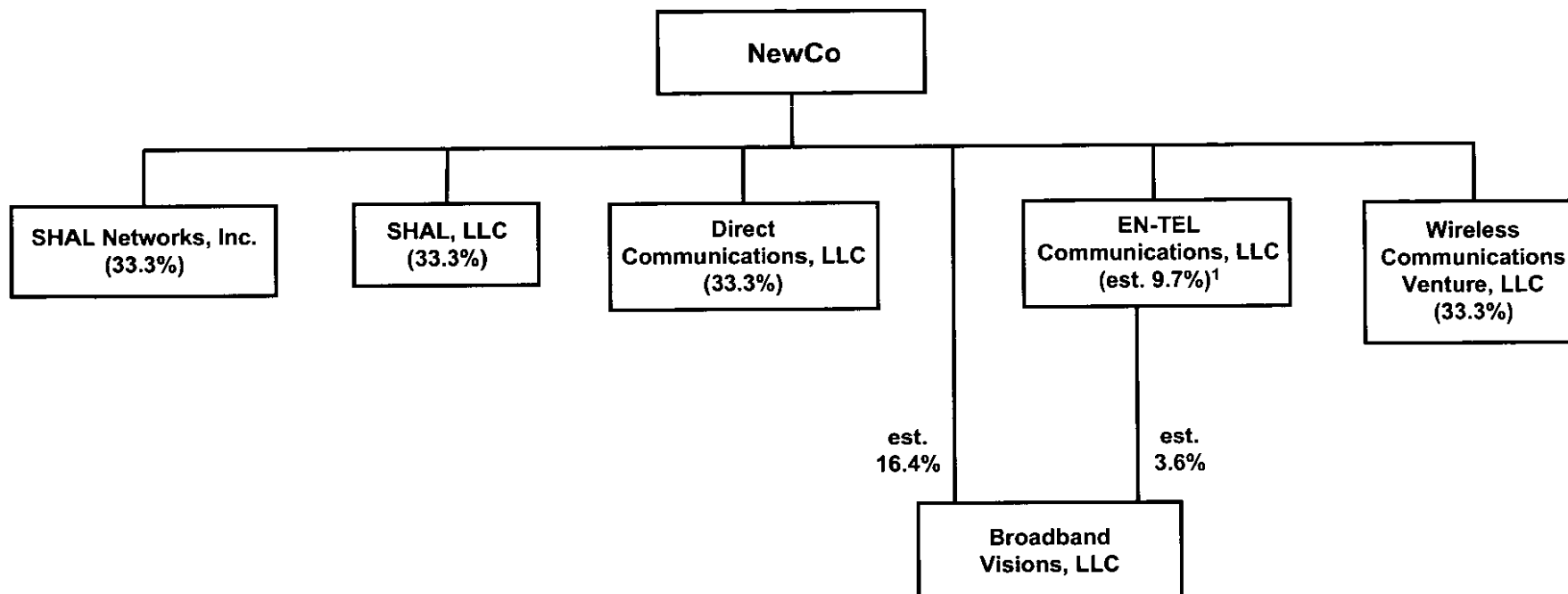


¹ Please see Page 2 for subsidiary detail for Bishop Communications Corporation.

² Please see Page 3 for further detail for NewCo.



"Assets" do not include joint venture interests, all of which are being transferred to NewCo as described on the following page. "Assets" of Sherburne Tele Systems are certain non-regulated residual assets not including subsidiary interests.



¹ Sherburne Tele Systems, Inc. is in the process of making a capital contribution that will increase its ownership interest in EN-TEL Communications, LLC to an est. 9.7%..

EXHIBIT 3: OTHER APPLICATIONS PENDING BEFORE THE COMMISSION

The Applicants intend to file applications seeking FCC approval of the assignment or transfer of control of the following wireless licenses held by Sherburne Tele Systems, Inc., Wireless Communications Venture, LLC, and NewCore Wireless, LLC within one week of the filing of the instant application:

Licensee	Call Sign	License Type
Sherburne Tele Systems, Inc.	KST834	Industrial/Business Pool, Conventional
Sherburne Tele Systems, Inc.	WQGY347	700 MHz Lower Band (Blocks C, D)
Sherburne Tele Systems, Inc.	WQJW772	700 MHz Lower Band (Blocks A, B, E)
Wireless Communications Venture, LLC	KNLG249	PCS Broadband
Wireless Communications Venture, LLC	WPOH609	Local Multipoint Distribution Service
Wireless Communications Venture, LLC	WPOH610	Local Multipoint Distribution Service
Wireless Communications Venture, LLC	WQIZ647	700 MHz Lower Band (Blocks A, B, E)
NewCore Wireless, LLC	WPOJ833	PCS Broadband
NewCore Wireless, LLC	WPOJ834	PCS Broadband
NewCore Wireless, LLC	WPOJ835	PCS Broadband

The Applicants intend to file an application for FCC approval of the assignment of assets with respect to the following international 214 authorizations within one week of the filing of the instant application:

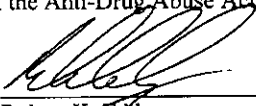
File Number ITC-214-19961219-00634, held by Sherburne Long Distance, Inc.

File Number ITC-214-20080709-00316, held by NorthStar Access, LLC

DECLARATION OF ROBERT K. EDDY

I, Robert K. Eddy, President of Sherburne Tele Systems, Inc., declare under penalty of perjury that Sherburne Tele Systems, Inc., including all officers, directors, or persons holding five percent or more of the outstanding stock or shares (voting and/or non-voting) of Sherburne Tele Systems, Inc., as specified in Section 1.2003(b) of the Commission's Rules, is not subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

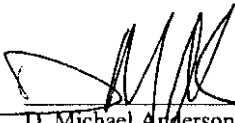
Executed on: 05 FEB 09


Robert K. Eddy
President
Sherburne Tele Systems, Inc.

DECLARATION OF D. MICHAEL ANDERSON

I, D. Michael Anderson, Vice President – External Affairs of Iowa Telecommunications Services, Inc., ("Iowa Telecom") declare under penalty of perjury that Iowa Telecom, including all officers, directors, or persons holding five percent or more of the outstanding stock or shares (voting and/or non-voting) of Iowa Telecom as specified in Section 1.2003(b) of the Commission's Rules, is not subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

Executed on: 2/9/09



D. Michael Anderson
Vice President – External Affairs
Iowa Telecommunications Services, Inc.